

STRATEGY *continued*

STRATEGIC OBJECTIVE 5

PEOPLE

Develop, engage and reward employees and executives to engender a high-performance culture.

All the factors that underpin enhanced performance require the highest calibre of leadership and specialist technical expertise. Transaction Capital seeks to motivate, engage with and develop its employees and executives to foster innovation, cultivate leadership and sustainably maintain a high-performance culture.

Transaction Capital motivates, engages with and develops its employees and executives to foster innovation, cultivate leadership and sustainably maintain a high-performance culture, and prioritises the appointment, development and over time devolvement of authority and responsibility to competent management. Over the years, Transaction Capital has established cohesive leadership teams within its divisions that have assumed ownership and delivered on their strategies.

Executives are appropriately qualified and have deep experience within their areas of specialisation. This intellectual capital is typically applied over a much smaller asset base than in larger organisations, with the concomitant expectation of higher performance.

Remuneration structures and development programmes for the most senior management are designed to facilitate their attraction, retention, recognition and development.

The aim is to preserve sufficient flexibility to support management's entrepreneurial spirit and innovation, while maintaining management accountability and robust risk processes.

The necessary expertise, capabilities and skills of key operational functions are devolved to its divisions. Executives are thus accountable for the performance of their respective business. Strong institutionalised governance, regulatory and risk management practices are maintained at both the group executive office and divisional level. The group executive office continues to possess experienced and specialised leadership with proven entrepreneurial, merger and acquisition, technical, financial and risk management skills, which it applies to augment the skills and capabilities of the divisions.

As a significant employer, Transaction Capital acknowledges its role in creating employment opportunities and empowering talent.

PEOPLE PHILOSOPHY

Entrepreneurial culture: a sense of ownership and motivation to innovate, within specific business models and risk parameters.

Executive capability: executives are appropriately qualified and have deep experience within their areas of specialisation. This intellectual capital is typically applied over a much smaller asset base than in larger organisations, with the concomitant expectation of higher performance.

Specialisation: executives, management and employees are expected to become specialists in their role, whether they are applying broader experience to a narrow focus in a senior management role, collecting for a specific client, or, in SA Taxi's auto body repair centre, becoming a specialist mechanic for one vehicle type.

Reward: fair remuneration commensurate with the level of skill, experience, seniority and industry practice, and performance incentives where appropriate.

Meaningful employment: engender an understanding of the broader social context applicable to each employee's role, in line with the societal relevance of Transaction Capital's divisions.

Transaction Capital establishes cohesive leadership teams within its divisions that have the responsibility and requisite level of operational authority to deliver on their strategies.

In TCRS, senior managers employed to deepen the division's penetration into adjacent market segments apply their professional experience and skills to a narrower market segment compared to their previous roles. For example, specific senior managers focus only on collections in the public or telecommunications sectors, or originations in the insurance sector.

The Transaction Capital Limited Conditional Share Plan, approved by shareholders on 20 October 2016, is a mechanism to attract and retain key employees while providing them with the opportunity to share in the success of the division in which they are employed, and to align their interest with that of shareholders.